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## 2004 Post-Session Newsletter

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State Senator  
**Allen Paul**

Serving District 27 — Jay, Randolph and Wayne Counties



# WORKING FOR INDIANA JOBS

Creating jobs and providing a boost to the economy are a top priority for our state. In 2003, the Senate passed legislation with significant economic development measures, dubbed the JOBS plan. Economic development is full time work, and we are constantly trying to improve our business climate here in Indiana to help more Hoosiers find jobs. Despite a \$1 billion state budget deficit, the Senate has continued to seek new ways to foster a more competitive atmosphere for businesses in Indiana.

One important bill, House Enrolled Act 1365, that passed the Senate this session should provide some new momentum for our economic development efforts. It is a combination of several bills that focus on expanding small business investment, improving research and development and encouraging growth around the state.

### Economic Development Provisions In HEA 1365

- Makes several research and investment tax credits permanent. **Economic Importance:** Businesses will have confidence to invest in creating innovative new products knowing the credits are stable.

- Adds the Emerging Technology Grant Fund to the 21st Century Research and Technology Fund. **Economic Importance:** The Fund will match federal grants for small-sized technology-based businesses to accelerate the commercialization of new discoveries in the life sciences, information technology, advanced manufacturing, or logistics industries.

- Gives tax incentives to businesses who locate new or expanded operations on closed military bases. **Economic Importance:** Incentives given to businesses on Grissom Air Force Base, Fort Benjamin Harrison and Crane Naval Surface Warfare Center will spark the local economy. New tax incentives are vital due



Senator Paul speaks to the Chairman of the Senate Finance Committee about an economic development measure in HEA 1365.

to the elimination of the inventory tax by 2007.

- Improves rules regarding Community Revitalization Enhancement Districts (CREDs). **Economic Importance:** CREDs are important economic development tools for the downtown areas of our cities. Expanding and improving CREDs will further these efforts.

- Allows local governments to assess an annual fee to recipients of tax abatements. **Economic Importance:** The fee would be used by local economic development boards to help provide more jobs within the area. It would help small rural communities that do not have big budgets for economic development.

- Repeals the sales tax on complimentary hotel rooms. **Economic Importance:** Indiana will be more competitive with other states in attracting tourism and convention business.

The provisions mentioned are only several of many economic development bills filed this session. We will continue our effort to provide Indiana with the tools needed to improve our economic climate.

## 2004 Facts & Figures

The Second Regular Session of the 113th General Assembly began on Organization Day, November 18, 2003, and adjourned March 4, 2004.

This non-budget year is known as the "short" session.

Senate bills introduced: 503  
Senate joint resolutions introduced: 10

Senate bills passed: 18  
Senate joint resolutions passed: 0

House bills introduced: 459  
House joint resolutions introduced: 7

House bills passed: 80  
House joint resolutions passed: 0

Percent of introduced bills that were sent to the governor: 10%

Senator Paul had a 100% roll call attendance record again this year.

For more information about the General Assembly's 2004 session, visit us online at: [www.in.gov/legislative](http://www.in.gov/legislative)

## Bureau of Motor Vehicles

### The 'Front Porch' of Indiana State Government

The Indiana Bureau of Motor Vehicles has certainly had a rough year, and it's only spring.

This year, the administration had one BMV commissioner resign, and then quickly hired a new commissioner to fill the void. In late February, six arrests were made in the Indianapolis area after a sting operation was ordered because of the widespread use of fraudulent documents.

Report after report has been issued concerning BMV employees, including an investigation by the media that reported 10 percent of BMV workers in Marion County have a criminal history.

An agency review was conducted by a former U.S. Marshal, whose findings simply stated that there are, indeed, major problems within the BMV.

All of this comes after 27 individuals were arrested late last year because they possessed illegal licenses and identification cards. Considering these circum-

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stances, it is safe to assume that the BMV is in dire need of a complete overhaul.

In response to news coverage of a widespread fraud scandal, the governor hired a retired U.S. Marshal to spearhead the aforementioned investigation of the

agency's operations. While the report did conclude security at certain BMV branches was sub-par, it offered no long-term solutions to the agency's troubles.

The report, which many legislators believe is incomplete, was presented to the public two months ahead of schedule. The report has faced criticism by some who say that all it contains is a statement of the obvious condition of the BMV. In fact, it has been called a "drive-by windshield assessment" because it doesn't address deep-rooted problems within the organization, nor does it pinpoint the source of its scandals. The governor should have dealt with the issues at hand before declaring his investigation "complete."

The BMV serves as the 'front porch' of Indiana state government. Anyone who wants to learn to drive, acquire a driver license, own a car, or obtain official identification uses the agency. Because of this, the BMV must work with a high ethical standard to quickly and effectively serve the people of Indiana.



# GUARDING LIBERTY: Defending Gun Owners' Rights

"The people shall have a right to bear arms, for the defense of themselves and the State." Article 1, Section 32 of the Indiana Constitution grants us the freedom to own firearms and store them in our homes.

Last year, the Indiana Supreme Court ordered gun owners to store their guns properly in their own homes or face possible lawsuits. In response, legislators decided to protect the 300,000+ law-abiding Hoosier gun owners. House Enrolled Act 1349 prevents gun owners from being sued if their guns were stolen and used to commit a crime.

Opponents of this bill argue that it grants too much protection to gun owners, especially those who are reckless in storing their guns. On one hand, gun owners should be responsible for their guns and keep them in safe places away from strangers and known criminals. However, this bill does not protect those who are reckless.

Should you be held liable for the unconscionable acts committed by a criminal simply because your property assisted in that act? The legislature believes the answer should be no. The protection afforded in the legislation is no different than if someone were to steal your car, which you legally own, and injure someone with it. The driver, not the owner, maintains liability.

HEA 1349 also limits the ability of Indiana's prison inmates to file frivolous lawsuits. Some offenders file lawsuits repeatedly, and this bill allows a judge to dismiss them if they have no merit. These suits tie up the local courts and make it difficult to conduct legitimate business.

This provision attempts to restore social responsibility and place blame where it belongs — on the offender, not the law-abiding citizen.

**HOUSE ENROLLED ACT 1265** — Establishes a program pooling state employees to negotiate lower prices for bulk purchases of prescription drugs. Applies to schools, state colleges and universities, and cities and towns. **PASSED. My vote: YES**

# Fairness in Funding:

Full-day kindergarten should be implemented the right way.

During last year's budget session of the General Assembly, education was our number one priority. It was the only area in government that was given an increase during a fiscally difficult year. While surrounding states have cut education, Indiana legislators worked hard to provide our schools with a 3.3 percent increase in funding for Fiscal Year 2004 and a 2.9 percent increase in 2005. This additional funding has placed Indiana 10th in the country in per pupil spending, which is a commitment that I want to be able to keep.

The state has drained every reserve account to make ends meet and provide schools with the money needed to continue essential programs for this budget cycle. The numbers from the most recent revenue forecast show that the state is not recovering as quickly as hoped and that the state needs to be cautious about what we are spending so we can keep the promise we made to our schools.

After an early start to our 2004 session, which officially began in mid-November, the governor suddenly decided that full-day kindergarten would be his top priority when he gave his State of the State address in January.

**SENATE BILL 85** — Makes it illegal to have open alcoholic beverage containers in a motor vehicle, regardless of whether or not the driver has been drinking. This law could have brought Indiana \$13.5 million in federal funds. **FAILED. My vote: YES**

His first proposal was to fund the partial tuition of 20,000 full-day kindergarten pupils this fall. Parents were expected to pay for a portion of their child's extra hours at school. The governor proposed several shaky funding mechanisms to cover the remainder, including changing the state constitution to tap into an account reserved for schools' construction and renovation projects.

When the bill reached the Senate, the majority agreed that the state simply does not have enough money right now to pay for a statewide full-day kindergarten program. As a member of the Senate Education Committee, I have listened to hours of testimony regarding early education. We all agree that early learning is important. None of the committee members expressed concern with the merits of full-day kindergarten. What our committee wanted to address was the funding.

Quite simply, the state does not have the money to pay for a well-thought-out full-day kindergarten program. The Senate Majority proposed the creation of a commission to work this summer to find sustainable funding for the initiative. Unfortunately, Democrats decided that if they couldn't get funding this year, they were not interested in studying the issue this summer. The bill died in conference committee on the last night of the session.

I fully support an optional, statewide full-day kindergarten program with sustainable, long-term funding. Anything less would be unfair.

I want Indiana's kids to have every opportunity to be successful. We must first fund our current obligations to public education before committing ourselves to spending even more taxpayer dollars.

**HOUSE ENROLLED ACT 1082** — Requires a review of entries in the Missing Children Clearinghouse within 60 days after the review required by laws governing reports made to the National Crime Information Center (NCIC). **PASSED. My vote: YES**

# Predatory Lending

New law protects Hoosier homebuyers

Indiana has an enviable record when it comes to the realization of the American Dream. We have one of the highest rates for home ownership in the U.S. This enviable record has come about in large measure because of a favorable regulatory climate and because of Hoosier frugality.

The explosion in home ownership across the country is mainly due to the availability of credit to those families who have less than the best credit ratings. This sub-prime credit availability has been called by Alan Greenspan the "Democratization of Credit." Over the last two decades, tens of thousands of Hoosier families have found themselves in a position for the first time to buy a home.

However, this availability of credit has led to a few unwanted side effects. Many families have not made the wisest decisions when handling credit or when it came to financing their homes. The second negative phenomenon has been the rise of fraud and other unscrupulous practices by individuals who are in the business of extending credit.

## Warning Signs of a Predatory Loan

- High annual interest rates
- High points or padded closing costs
- Balloon payments
- Inflated appraisal costs
- Padded recording fees
- High-cost credit insurance

Beginning in the 2000 session, the legislature has been trying to come to grips with the more negative aspects of sub-prime lending. The challenge has been to extend greater consumer protections without curtailing the availability of credit. Over the past several years, about half of the states have adopted some sort of "predatory lending" law. In some of these states, the pendulum has swung too far in the direction of protection, thus curbing the availability of credit. In other states, some would argue, the pendulum did not go far enough to protect consumers.

In Indiana, I'm very happy to report a balance has been struck that found the active support of the lending community, as well as that of consumer activists. We are the first state to achieve this balance.

HEA 1229 will extend real consumer protections, while insuring the availability of credit. For the first time in this country, we will

**HOUSE ENROLLED ACT 1194** — Opens state records regarding a child who died as a result of abuse, abandonment, or neglect. Requires extensive background checks on all members of a household for temporary and permanent placements. **PASSED. My vote: YES**

**HOUSE ENROLLED ACT 1394** — Stiffens penalties for drunk driving offenses. Requires lifetime license suspension of a person with two convictions for OWI causing death. Passed in honor of Rep. Roland Stine. **PASSED. My vote: YES**

**SENATE ENROLLED ACT 86** — Allows a voter to check "address unchanged" box on poll list instead of writing entire address when signing in to vote. Would save voters time when polls are crowded. **PASSED. My vote: YES**



# Randolph County CEDIT Money

If you were to ask me if it was a successful session, I would undoubtedly say that it was. I had one major proposal on my agenda, and it benefits part of Senate District 27.

During last year's session a last-minute amendment was made to the 2003 House budget bill to indicate that the Randolph County's Economic Development Income Tax (CEDIT) was to be taken from the courthouse renovation fund and put toward use on other projects for other purposes. It was my goal to reinstate this money to be used for the courthouse renovation.

The responsibility of implementing the CEDIT tax was given to the people of Randolph County to use how they saw fit. I simply wanted to guarantee that the money was given back to the people, where it should be in the first place.

The amendment that was made last year slipped by unnoticed at the last hour. It was a dangerous tactic that specifically dictated where money should go and how it should be spent. I have the utmost confidence in the authorities of Randolph County, and I know they have the best interests of their citizens at heart. This is not a Democrat or Republican issue. The people need to have control over this money.

After Representative Tom Saunders and I worked for many painstakingly tedious hours, our proposal has been signed by the governor and is now a state law.

fund a Home Ownership Protection unit within the Attorney General's office that will actively pursue and prosecute fraudsters involved in bilking home buyers.

Indiana conservatism usually means that we are not on the cutting edge of most issues. However, with the passage of HEA 1229, it quite likely will become a model for the rest of the country. Those states that have yet to address the issue, as well as those who have already enacted a "predatory lending" law, may want to take a close look at Indiana's solutions to this vexing problem.